

AMENDED IN SENATE MARCH 12, 2014

SENATE BILL

No. 839

Introduced by Senator Correa

January 6, 2014

An act to ~~amend Section 999.6 of~~ *add Section 999.7 to the Military and Veterans Code, and to amend Section 10111 of, and to add Section 10115.14 to, the Public Contract Code*, relating to veterans.

LEGISLATIVE COUNSEL'S DIGEST

SB 839, as amended, Correa. The California Disabled Veteran Business Enterprise ~~Program~~. *Program: state contracts.*

Existing law establishes goals *that apply to the overall dollar amount expended each year by an awarding department, as defined*, to facilitate the participation of disabled veteran business enterprises *in state contracts*, and establishes the California Disabled Veteran Business Enterprise Program for this purpose. ~~Existing law requires an officer or agency empowered to enter into a contract, in implementing the program, to utilize existing resources, including, but not limited to, specified state and federal entities.~~

~~This bill would make technical, nonsubstantive changes to that resource utilization provision.~~

Existing law requires the Department of General Services to make available a report on contracting activity containing specified information, including the level of participation, by agency, of disabled veteran business enterprises in statewide contracting, including the dollar values of contract award in specified categories.

This bill would require the contracting activity report, with respect to disabled veteran business enterprise participation, commencing with the 2015–16 fiscal year and each fiscal year thereafter, to include the

dollar amounts expended annually on contracts pursuant to the program, and would require an awarding department to report those expenditures to the Department of General Services. The bill would require the awarding department, for each disabled veteran business enterprise that contracts directly with an awarding department as a prime contractor, to report expenditures based on the amounts paid during the fiscal year, and to maintain accounting records and other supporting documentation sufficient for the verification and audit of the reported payments. The bill would require the awarding department, for each disabled veteran business enterprise that works as a subcontractor to a prime contractor, to report expenditures based on a joint certification from both the prime contractor and the disabled veteran business enterprise subcontractor, attesting to the amounts paid to the disabled veteran business enterprise under each contract, and to maintain signed certifications for the verification and audit of the reported payments. The bill would require the Department of General Services, in consultation with the Department of Veterans Affairs, to develop, before July 1, 2015, a joint certification form to be used by awarding departments.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 999.7 is added to the Military and
- 2 Veterans Code, to read:
- 3 999.7. In implementing this article, an awarding department
- 4 shall report its annual expenditures on disabled veteran business
- 5 enterprises pursuant to Section 10115.14 of the Public Contract
- 6 Code.
- 7 SEC. 2. Section 10111 of the Public Contract Code is amended
- 8 to read:
- 9 10111. Commencing January 1, 2007, the department shall
- 10 make available a report on contracting activity containing the
- 11 following information:
- 12 (a) A listing of consulting services contracts that the state has
- 13 entered into during the previous fiscal year. The listing shall
- 14 include the following:
- 15 (1) The name and identification number of each contractor.

1 (2) The type of bidding entered into, the number of bidders,
2 whether the low bidder was accepted, and if the low bidder was
3 not accepted, an explanation of why another contractor was
4 selected.

5 (3) The amount of the contract price.

6 (4) Whether the contract was a noncompetitive bid contract,
7 and why the contract was a noncompetitive bid contract.

8 (5) Justification for entering into each consulting services
9 contract.

10 (6) The purpose of the contract and the potential beneficiaries.

11 (7) The date when the initial contract was signed, and the date
12 when the work began and was completed.

13 (b) The report shall also include a separate listing of consultant
14 contracts completed during that fiscal year, with the same
15 information specified in subdivision (a).

16 (c) The information specified in subdivisions (a) and (b) shall
17 also include a list of any contracts underway during that fiscal year
18 on which a change was made regarding the following:

19 (1) The completion date of the contract.

20 (2) The amount of money to be received by the contractor, if it
21 exceeds 3 percent of the original contract price.

22 (3) The purpose of the contract or duties of the contractor. A
23 brief explanation shall be given if the change in purpose is
24 significant.

25 (d) The level of participation, by agency, of disabled veteran
26 business enterprises in statewide contracting and shall include
27 dollar values of contract award *expended annually as specified in*
28 *Section 10115.14* for the following categories:

29 (1) Construction.

30 (2) Architectural, engineering, and other professional services.

31 (3) Procurement of materials, supplies, and equipment.

32 (4) Information technology procurements.

33 Additionally, the report shall include a statistical summary
34 detailing each awarding department's goal achievement and a
35 statewide total of those goals.

36 (e) The level of participation by small business in state
37 contracting including:

38 (1) Upon request, an up-to-date list of eligible small business
39 bidders by general procurement and construction contract

1 categories, noting company names and addresses and also noting
2 which small businesses also qualify as microbusinesses.

3 (2) By general procurement and construction contract categories,
4 statistics comparing the small business and microbusiness contract
5 participation dollars to the total state contract participation dollars.

6 (3) By awarding department and general procurement and
7 construction categories, statistics comparing the small business
8 and microbusiness contract participation dollars to the total state
9 contract participation dollars.

10 (4) Any recommendations for changes in statutes or state
11 policies to improve opportunities for small businesses and
12 microbusinesses.

13 (5) A statistical summary of small businesses and
14 microbusinesses certified for state contracting by the number of
15 employees at the business for each of the following categories:
16 0–5, 26–50, 51–75, and 76–100.

17 (6) To the extent feasible, beginning in the year 2008, the
18 number of contracts awarded by the department in the categories
19 specified in paragraph (5).

20 (7) The number of contracts and dollar amounts awarded
21 annually pursuant to Section 14838.5 of the Government Code to
22 small businesses, microbusinesses, and disabled veteran business
23 enterprises.

24 (f) The level of participation of business enterprises, by race,
25 ethnicity, and gender of the owner, in contracts to the extent that
26 the information has been voluntarily reported to the department.
27 In addition, the report shall contain the levels of participation of
28 business enterprises, by race, ethnicity, and gender of the owner,
29 and whether the business is a lesbian, gay, bisexual, or transgender
30 owned business for the following categories of contracts, to the
31 extent that the information has been voluntarily reported to the
32 department:

33 (1) Construction.

34 (2) Purchases of materials, supplies, or equipment.

35 (3) Professional services.

36 (g) In the years 2011 and 2012, any errors reported to the
37 department by an awarding agency as required by Sections 10302,
38 10344, and 12104.5, in the previous fiscal year.

39 (h) The amendments made to this section by the act adding this
40 subdivision shall apply on and after January 1, 2013.

1 *SEC. 3. Section 10115.14 is added to the Public Contract Code,*
2 *to read:*

3 *10115.14. Commencing with the 2015–16 fiscal year and each*
4 *fiscal year thereafter, the information contained in a contracting*
5 *activity report pursuant to subdivision (d) of Section 10111 shall*
6 *include the dollar amounts expended annually by each awarding*
7 *department on contracts with disabled veteran business enterprises*
8 *pursuant to Sections 999.1 and 999.2 of the Military and Veterans*
9 *Code. An awarding department shall report those expenditures to*
10 *the Department of General Services in accordance with the*
11 *following:*

12 *(a) For each disabled veteran business enterprise that contracts*
13 *directly with an awarding department as a prime contractor, the*
14 *awarding department shall report expenditures based on the*
15 *amounts paid during the fiscal year. The awarding department*
16 *shall maintain accounting records and other supporting*
17 *documentation sufficient for the verification and audit of the*
18 *reported payments.*

19 *(b) For each disabled veteran business enterprise that works*
20 *as a subcontractor to a prime contractor, the awarding department*
21 *shall report expenditures based on a joint certification from both*
22 *the prime contractor and the disabled veteran business enterprise*
23 *subcontractor, attesting to the amounts paid to the disabled veteran*
24 *business enterprise under each contract. An awarding department*
25 *shall maintain signed certifications for the verification and audit*
26 *of the reported payments. The Department of General Services,*
27 *in consultation with the Department of Veterans Affairs, shall*
28 *develop, before July 1, 2015, a joint certification form to be used*
29 *by awarding departments.*

30 *(c) An awarding department shall develop policies and*
31 *procedures for the preparation of expenditure reports pursuant to*
32 *subdivisions (a) and (b) to ensure that the expenditure amounts*
33 *reported to the Department of General Services are accurate,*
34 *complete, and verifiable against the awarding department's*
35 *accounting records and subcontractor certifications.*

36 ~~SECTION 1. Section 999.6 of the Military and Veterans Code~~
37 ~~is amended to read:~~

38 ~~999.6. In implementing this article, the awarding department~~
39 ~~shall utilize existing resources, including, but not limited to, the~~
40 ~~Office of Small Business and Disabled Veteran Business Enterprise~~

- 1 ~~Services, the Department of Veterans Affairs, the United States~~
- 2 ~~Department of Veterans Affairs, and the federal Small Business~~
- 3 ~~Administration.~~

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